



TC05-057

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David W. McGann
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March 31, 2004

Via Fax: 303-893-2882

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Krys Boyle, PC
600 Seventeenth Street
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Denver Colorado, 80202

RECEIVED

MAR 31 2005

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Re: McLeodUSA v. Qwest

Dear Mr. Newell:

When I returned to the office after our conference call yesterday with Judge Isley, I learned some additional information not known to me at the time of our call.

As I stated on our March 30, 2005 conference call with Judge Isley, the Temporary Restraining Order ("TRO") was entered on March 23, 2005 by Chief Judge Mark W. Bennett of the United States District Court for the Northern District of Iowa in Docket Number C05-0039-MWB. By its terms, the TRO is effective up to and including April 12, 2005.

When we spoke I was not aware of the fact that yesterday afternoon the Court heard argument on a motion filed by Qwest to have the Iowa proceeding transferred or stayed under the "first filed" doctrine. Qwest's "first filed" argument is essentially that because Qwest filed a claim in Colorado before McLeodUSA filed its claim in Iowa, the proper forum to hear the dispute is the Colorado court. If the Court grants the "first filed" motion, by operation of law, the TRO would be dissolved.

To protect against this result, the Court obtained assurance from Qwest's counsel that if the stay or transfer to Colorado were granted, the TRO entered on March 23, 2005 would remain in effect until it is modified, extended, or rescinded by the District of Colorado. Qwest requested that, as a condition of the agreement, McLeodUSA be required to cooperate with Qwest and to use its best efforts to ensure that a hearing on the existing TRO is quickly and expeditiously scheduled in the Colorado court.

The Court indicated that it would rule by the end of the week on Qwest's "first filed" motion, and Qwest expects that if the motion is granted, the Court will set out each of these stipulated conditions in the order, or will make some other accommodation to its ruling to keep the TRO in place until the Colorado court has a hearing.

Based upon our discussion, the representations in this letter and Judge Isley's instructions to you, I understand that you will make a written request to withdraw your motion for emergency relief.

Andrew R. Newell
March 31, 2005
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Should you have any questions, do not hesitate to contact me.

Sincerely,

David W. McGann

cc: Doug Hsiao
Paul McDaniel